NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

THIS LEASE AGREEMENT is made this

Ja single person

PAID UP OIL AND GAS LEASE (No Surface Use)

whose addresss is _	/005	138351E	Street	tort	Morth	lexcs.	76104	et Ealtin I		as Lessor
and, DALE PROPER? hereinabove named a	TY SERVICES, L	.L.C., 2100 Ros	ss Avenue, Si	ulte 1870_	Dallas Texas	75201, as Les	ssee. All printed	portions of this leas	e were prep	pared by the part
nereinadove named a:	s Lessee, Dui au tion of a cash h	omer provisions	(including the	completio	n or biank spac berein contain	ed Lessorhe	reby grants, leas	es and lets exclus	ively to Les	see the following
described land, herein			Julia arta are e				, 6		•	
·		·								
1-									LOCK	14
	ES OF LAND								LOCK_	
OUT OF THE	()nion	17epat					ADDITI	ON, AN ADDIT THAT CERTA TARRANT CO	ION TO	THE CITY OF
FOR	MOUT	1	, <u>T</u> AR	RANT	COUNTY, T	EXAS, ACC	CORDING TO	THAT CERTA	IN PLAT	RECORDEL
IN VOLUME	<u> </u>	, PAG	= <u>45</u>		OF TH	iE PLAT RI	ECORDS OF	TARRANT CO	UNTY, T	EXAS.
			•							
_			4 /-							
in the County of Tar	rant, State of T	EXAS, containin	9 1/5	<u>></u> g	ross acres, mo	re or less (incl	uding any interest	ts therein which Les	ssor may he	ereafter acquire b
reversion, prescription	or otherwise),	for the purpose	of exploring f	or, develo	ping, producing	and marketir	ng oil and gas, a	long with all hydro	carbon and	non nyarocaroo diovide and othe
substances produced commercial gases, as	in association well as hydroca	therewith (inclu-	aing geophys	cavseismi e ahove.d	c operations). escribed (ease)	ne term y	is lease also covi	ers accretions and	anv small s	strips or parcels of
land now or hereafter	owned by Lesso	or which are cor	itiquous or adi	acent to the	ne above-descr	ibed leased pr	remises, and, in c	consideration of the	aforementi	ioned cash bonus
Lessor agrees to exec	ute at Lessee's i	request any add	itional or supp	lemental ir	istruments for a	a more comple	te or accurate de:	scription of the land	so covered	 For the purpos
of determining the am	ount of any shut-	in royalties here	under, the nur	nber of gro	oss acres abov	e specified sha	all be deemed con	rect, whether actua	ly more or i	ess.
							1	. 41		
2. This lease, w	hich is a "paid-u	p" lease requirin	ng no rentals, s	shall be in	force for a prin	ary term of	7001	()years	from the da	ate hereof, and fo
as long thereafter as o otherwise maintained	oil or gas or other	r substances co	vered hereby a	are produc	ed in paying qu	iantities from t	he leased premis	es or from lands po	olea therew	vith of this lease i
3 Royalties on	oil das and othe	t to the provision er substances b	ns nereor. Induced and s	saved here	under shall he	naid by Lesse	ee to Lessor as fo	ollows: (a) For oil a	and other lic	uid hydrocarbon
separated at Lessee's	separator facilit	ties, the royalty	shall be +t.	KAL-	- Hive	(2) %) of such p	production, to be de	elivered at L	Lessee's option t
Lessor at the wellhead	d or to Lessor's (credit at the oil r	ourchaser's tra	nsportatio	n facilities, prov	rided that Less	see shall have the	e continuing right to	purchase s	such production a
the wellhead market	orice then prevai	iling in the same	e field (or if th	ere is no	such price ther	prevailing in	the same field, th	nen in the nearest	field in which	ch there is such i
prevailing price) for i	roduction of sin	milar grade and	d gravity; (b)	for gas (i	ncluding casin	g head gas)	and all other su	ostances covered a proportionate pa	nereby, inc act of act vi	alorem taves an
production, severance	or other excise	taxes and the	costs incurred	hy Lesse	izeu by Lesse e in delivering	nrocessina or	otherwise market	ting such gas or otl	ner substan	ces, provided that
Lessee shall have the	continuing right	to purchase suc	ch production a	at the prev	ailing wellhead	market price ;	paid for production	n of similar quality i	n the same	field (or if there i
no such price then pre	evailing in the sa	me field, then in	the nearest f	ield in whi	ch there is suc	n a prevailing	price) pursuant to	comparable purch	ase contrac	cts entered into o
the same or nearest p	receding date as	s the date on w	nich Lessee co	mmences	its purchases I	rereunder, and	d (c) if at the end	of the primary term	or any time	e thereafter one o
more wells on the lead are waiting on hydraul	sea premises or ic fracture stimul	lands pooled the	erewith are cap	pable of el	ther producing	oil or gas or of	iner substances on is not being sold	xovered nereby iii p I hv Lessee, such w	aying quant reti or wells	shall nevertheles
be deemed to be prod	lucina in pavina	quantities for th	e purpose of i	maintainin	this lease. If	for a period of	f 90 consecutive	days such well or v	vells are shi	ut-in or productio
there from is not bein	g sold by Lesse	e, then Lessee	shall pay shul	t-in royalty	of one dollar	per acre then	covered by this k	ease, such paymer	it to be mad	de to Lessor or t
Lessor's credit in the	depository desig:	nated below, on	or before the	end of sai	id 90-day perio	d and thereafte	er on or before ea	ach anniversary of	the end of s	said 90-day perio
while the well or wells is being sold by Less	are shut-in or pr	roduction there f	rom is not bein	ng sold by	Lessee; provid	ed that if this I	lease is otherwise	being maintained l	by operation	ns, or it productio
following cessation of	such operations	ar production	l essee's faili	ire to prop	erly nay shut-ir	nerewith, no s novalty shall	render Lessee lie	able for the amount	due, but si	hall not operate t
terminate this lease.										
4. All shut-in ro	yalty payments ι	ınder this lease	shall be paid	or tendere	d to Lessor or t	o Lessor's cre	dit in <u>at lessor'</u> :	s address above	or its succe	essors, which sha
be Lessor's depositor	agent for receiv	ring payments re	egardless of ch	nanges in t	he ownership o	of said land. Al	l payments or ten	ders may be made	in currency,	, or by check or b
draft and such payme address known to Les	nts or tenders to	i Lessor or to th	e depository b	y deposit i	in the US Mails	in a stamped	envelope addres en had ha another ine	sea to the deposit ditution or for any t	ry or to the reason fail c	r refuse to accer
payment hereunder, L	essor shall, at Le	essee's request.	deliver to Les	see a pror	er recordable i	nstrument nam	ning another instit	ution as depository	agent to rec	ceive payments.
Except as pr	ovided for in Par	agraph 3. above	e. if Lessee dri	lls a well v	which is incapal	ble of producing	ng in paying quan	tities (hereinafter ca	alled "dry ho	ole") on the lease
premises or lands po	oled therewith, o	or if all production	on (whether o	r not in pa	aying quantities	 permaneπtly 	ceases from an	y cause, including	a revision o	of unit boundarie
pursuant to the provi nevertheless remain i	sions of Paragra	aph 6 or the ac	ction of any g	overnment	tal authority, th	ien in the eve	ent this lease is a	not otherwise being	g maintaine Prining or re	etorina productio
on the leased premise	es or lands poole	d therewith with	in 90 davs afte	er complet	ion of operation	os on such dry	hole or within 90	davs after such ce	ssation of a	ill production. If a
the end of the primar	y term, or at any	y time thereafte	r, this lease is	not other	wise being ma	intained in fore	ce but Lessee is	then engaged in d	rilling, rewo	rking or any othe
operations reasonably	r calculated to ob	tain or restore p	production ther	efrom, this	s lease shatt rei	nain in force s	io long as any one	e or more of such o	perations ar	re prosecuted wit
no cessation of more										
there is production in Lessee shall drill such										
to (a) develop the lea										
leased premises from										
additional wells excep							53			
								with any other land		
depths or zones, and proper to do so in ord										
unit formed by such p										
horizontal completion										
completion to conform										
of the foregoing, the to prescribed, "oil well" r										
feet or more per bar										
equipment; and the f										
equipment; and the te										
component thereof.										
Production, drilling or reworking operations										
net acreage covered										
Lessee. Pooling in or										
unit formed hereunde	r by expansion (or contraction o	r both, either	before or	after commenc	ement of prod	luction, in order to	o conform to the w	ell spacing	or density patter
prescribed or permitte										
making such a revision leased premises is in-										
be adjusted according										
a written declaration of										, <u></u>

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lesson's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises.

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the

rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or antil Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferree to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of

the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced

If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionated in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease, and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands, and to commercial ti

control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof.

Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease, and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default and Lessee fails to go so.

time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore ement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

16. Mortwithstanding anything contained to the contrary in this lease I assee shall not have any cloths to use the surface of the leased premises for drilling or other.

Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

operations

operations.

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lesson has or may negotiate with any other lessors/oil and has owners. which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR (WHETHER ONE OR MORE) FRED WOODSJY By: TE OF Tex 95

JNTY OF T9/19W F

This instrument was acknowledged before me on the Fred Woods ACKNOWLEDGMENT STATE OF COUNTY OF JUNE 2008. day of JARWIN N. SCO11 Notary Public, State of Texas My Commission Expires Notary Public, State of Notary's name (printed): October 31, 2010 Notary's commission expires STATE OF COUNTY OF This instrument was acknowledged before me on the 2008. _day of



DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

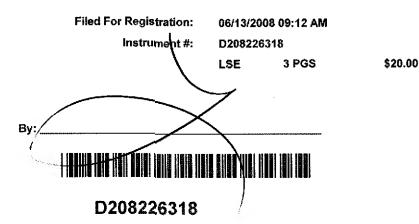
DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> <u>WARNING - THIS IS PART OF THE OFFICIAL RECORD.</u>



ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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